road transport sector

13. Restructuring urban transport system on the lines of Mass Rapid Transport System.

14. Development of a sound information based management information system.

15. Private Sector participation in all the realms of transport industry because of inadequacy of public resources.

16. Introduction of Multi-modal system for freight traffic.

17. Attention to Human Resource Development in the labour intensive transport sector.

18. To give more attention on R & D towards vehicle technology and

19. Adoption of all possible measures in reducing vehicular pollution.

(c) The budget for 1999-2000 is yet to be approved by the Parliament.

Leasing agreement between AI and Antiguan Company M/s Caribjet

*6. SHRI SANTOSH BAGRODIA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India had any leasing agreement with Antiguan Company M/s Caribjet;

(b) if so, the details of the agreement; and

(c) whether the agreement had fallen through and AIR India had to pay heavy penalties; if so, the details thereof?

THE MINISTER OF CIVIL AVIATION (SHRI ANATH KUMAR): (a) and (b) Yes, Sir. Air India had taken two A310-300 aircraft on wetlease from Antiguan Company M/s Caribjet intially for a period of six months with effect from December, 1994. The lease was further extended upto December, 1995. Again in November, 1995 Air India concluded a fresh agreement with M/s Caribjet Inc. for wet-lease of two L1011 -500 aircraft and one A310-300 aircraft for a period of two years effective from 1.1.96

(c) Air India terminated the wetlease agreement with Caribjet with effect from September 4, 1996 on grounds of technical lapses and non-fulfilment of various norms of Directorate General of Civil Aviation. Caribjet, on their part, in pursuance of the provisions of the agreement has taken the matter to arbitral Tribunal, London. The Arbitral Tribunal after hearing the evidence of both the parties, oral and written submissions, declared their award on 19.1.99 on the issue of liability in which the Tribunal opined that the wetlease agreement had been wrongfully terminated by Air India. The issue of Guantum of compensation is yet to be heard by the Tribunal for which proceedings are scheduled for May 10, 1999. The exact quantum by way of compensation would be known once the award is declared by the Tribunal in May 1999 or thereafter. Air India management has decided to go in appeal to the London High Court against the award of the Tribunal on the issue of liability through their Indian Lawyers and an English firm of Solicitors.

Projects Sanctioned under IRDP

*7. SHRI DIPANKAR MUKHERJEE: SHRI NILOTPAL BASU:

Will the Minister of FINANCE be pleased to state:

(a) the number of applications forwarded to the public sector banks for the projects under I.R.D.P. scheme;

(b) the number of schemes sanctioned and the number of disposals made, State-wise and bank-wise, during the last three years;

(c) whether it is a fact that there is wide gap between the number of applications made, projects sanctioned and actual disbursals; and

(d) if so, the reasons therefor and the steps contemplated to rectify the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE BANKING, REVENUE AND INSURANCE (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) Ministry of Rural Areas and Employment, who administer the Integrated Rural Development Programme (IRDP) scheme, have informed that year-wise credit targets are fixed keeping in view the subsidy available. The State-wise details of total number of families benefited, credit targets and

disbursements under IRDP scheme during the year 1995-96, 1996-97 and 1997-98 are given at Annexure [See Appendix 186, Annexure No. 1]. The bank-wise details of credit targets and disbursements under IRDP during the years 1995-96, 1996-97 and 1997-98 are given at Annexure [See Appendix 186, Annexure No. 1]

(c) and (d) The gap between the number of applications received, sanctioned and actual disbursements is, *inter-alia*, on account of bunching of applications towards end of the year, number of applications sponsored to banks being generally higher than the financial target, selection of activities not being in tune with the resource potential, available infrasturcure and credit absorption capacity at the local level, borrowers inability to complete procedural formalities in time, selection of beneficiaries without active involvement of the lending institutions, defaults in other Government sponsored schemes, etc.

The measures already initiated and steps contemplated by Government to remedy the situation, *inter-alia* include (i) gradual sponsorin of IRDP applications to avoid bunching towards the end of the year, (ii) fixing of a time frame for processing, sanction and disbursal of loans under IRDP; (iii) delegation of adequate financial power to Branch Managers for sanction of schemes under IRDP; (iv) introduction of Family Credit Plan (FCP) in 316 districts till 1997-98, under which more than a single member of a family may be given assistance subject to the normal subsidy limits; (v) enhancing ceiling limit for collateral free loans to Rs. 50,000/- with a view to easing the constraints faced by poor beneficiaries while availing loans from banks; (vi) extension of cash disbursement scheme to 50 per cent of the blocks of the country to give the benficiary freedom to select the assets of his choice; (vii) change in the administration of subsidy from front end to back-ended subsidy; (viii) focussing on the Group approach and funding through Self-Help Groups (SHGs); and (ix) involvement of the banks and other financial institutions in the planning and preparation of projects, identification of activity clusters, infrastructure planning as well as capacity building and the choice of activity of the SHGs.

Suggestions of Prof. Amartya sen on Resetting of Economic Priorities

*8. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Noble laureate Prof. Amartya Sen has suggested to reset economic priorities;

(b) if so, the details thereof; and

(c) the action proposed by Government in this regard?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) In a Newspaper item entitled "India must rest its economic priorities: Sen"published in 'The Hindu, dated the 11th December, 1998, it has been reported that Prof. Amartya Sen has suggested that India must reset its economic priorities to make them "people oriented rather than commodity related".

(c) Suggestions made by individuals and associations are kept in view while formulating appropriate policies by the Government. However, growth with social justice and alleviation of poverty has been and continues to be the basic objective of Indian economic policy and planning. The Ninth Plan document articulates the Government's overall Development Strategy.

Review of Pan System

*9. SHRI SITARAM KESRI:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the Hindustan Times dated February 1, 1999, under the caption 'Doubts surface over efficacy of PAN system; if so, what is Government's reaction thereto;

(b) the details of the flaws which have surfaced in the Permanent Account Number (PAN) system which raised doubts as to its efficacy;

(c) whether there is any proposal to review the system so as to make it more workable,